



**Department of the Navy  
Human Resources Service Center  
Benefits Bulletin No. 2003-4**

**Flexible Spending Accounts (FSA)  
Open Season Extended - Update**

The Office of Personnel Management (OPM) has completed their review of the fees associated with the Federal Flexible Spending Accounts (FSA) Program. Effective June 16, the FSA Program Administrator began accepting FSA enrollments. Due to the delay in accepting enrollments, **OPM has officially extended the FSA program Open Season until June 27, 2003.**

**WHAT IS A FLEXIBLE SPENDING ACCOUNT?**

The Federal Flexible Benefits Plan ("FedFlex") enables eligible employees to pay for benefits with pre-tax dollars. The initial FedFlex benefit, Premium Conversion, was implemented in October 2000. In this calendar year, OPM has enhanced FedFlex to include a second pre-tax benefit called Flexible Spending Accounts (FSAs). FEDFLEX will provide two FSAs:

- A Health Care FSA [HCFSA], allows pre-tax reimbursement of eligible medical costs not covered or reimbursed by insurance. Examples include FEHB plan deductibles, co-payments and coinsurance, dental and vision services not covered by FEHB plans, etc.
- A Dependent Care FSA [DCFSA], allows participants to be reimbursed on a pre-tax basis for child care or adult dependent care expenses that are necessary to allow the employee (and his/her spouse) to work or seek work.

Unlike Premium Conversion, participation in an FSA is not automatic; employees must make a voluntary election on an annual basis. If an employee does not make an election during the open enrollment they will not have an FSA in the new plan year. The benefit election is irrevocable once the plan year has begun, unless the employee experiences a qualifying "change in status" event. Additionally, if by the end of the plan year the money in an employee's account is not used, then the money will be forfeited.

**IMPORTANT TAX INFORMATION**

Please visit <https://www.fsafeds.com/fsafeds/faq.asp#irs> for specific tax information concerning FSA accounts. Also, you may wish to speak with your tax advisor if you have over withheld deductions from your FSA account.

**WHO DO I CONTACT IF HAVE QUESTIONS ON ENROLLING IN FSAs?**

**FSA Administrator.** As with the Federal Long Term Care Insurance Program, FLTCIP, individuals will enroll directly, with the FSA administrator to participate in one or both FSAs. OPM has awarded a contract to SHPS, based in Louisville, Kentucky, to serve as administrator of the new Federal FSA Program. To obtain information, please contact the FSA Administrator as noted below. OPM has contracted this program, therefore, please refer your questions to the FSA Administrator. **Your Human Resources Service Center (HRSC) should not be contacted.**

Civilian employees are able to access general program information, enroll, and manage their account either online or by telephone.

- **Online:** [www.fsafeds.com](http://www.fsafeds.com). The FSAFEDS Web site is always available for access to information at your convenience.
- **Toll Free: 1-877-372-3337.** Customer Service Representatives will be available between 9:00 AM and 9:00 PM, Eastern Standard Time, Monday through Friday, effective 19 May 2003.

**Your Human Resources Service Center (HRSC) is not involved in this program and therefore all inquiries should be made directly to the program administrator by calling the telephone number above.**